From the Executive Director

How quickly the winter has disappeared and spring has arrived in West Lafayette. And with spring, we are proud to share our newest issue of our executive education newsletter renamed The Purdue Executive. The response to the inaugural issue in January was very positive, and we continue to build from that foundation. In our “Research for Executives” section, we feature Ananth Iyer, Associate Dean for Graduate Programs at the Krannert School, and his focus on the impact of regulation-driven product changes on supply chain management. We’ve been hearing from our alums and have added a section called Alumni Notes, an opportunity for you to share news with other alumni. And, since our last issue, I traveled to China with our 2012 Executive MBA class, and one of our students, Jeff Case, shares his impressions of that trip in this issue.

In taking on the position of executive director, one of my goals has been to strengthen ties with alumni. This newsletter and our receptions (see Share the Dates) are steps in that direction. In the future, I plan to initiate ‘Alumni Campus Days’ where alumni come to campus for a special class and strengthen links with other alums. As we work to serve you better, I’d like to ask your help in two areas – student referrals and project leads. I believe we have world-class programs, and any referrals you can provide would be very useful. I am ready and willing to travel to your companies and meet with people who believe a Purdue Executive MBA will provide the additional opportunities they seek. We are also starting active learning projects in the program through which student teams, in cooperation with a faculty member, act as a consulting team to diagnose and address a challenge at the client company. If your company would be willing to work with a team from June 2012 onward, do let me know. I look forward to hearing from you at akriauci@purdue.edu.

Sincerely,

Aldas Kriauciunas

Share the Dates

KEEP is planning a ‘Current and Future Alumni’ Reception on Thursday, May 3 from 6 to 8:30 pm. The event is being hosted by InterDyn LANAC Technology in Chicago. The event is for all alumni, current students, and others interested in our programs. For more information, please go to: http://www.krannert.purdue.edu/programs/executive/Profile_Programs/home.asp

KEEP is inviting prospective students to our Profile Day on Friday, June 8 from 8:30 am to 12:30 pm. It is open to all who are considering an MBA and believe our Executive MBA or International Master’s of Management degree programs may help them achieve their career goals. The day’s schedule is:

8:30 AM: Check In, Breakfast, and Tour of Facilities
9:00 AM: Profile Program Presentation
10:00 AM: Class Break – Meet with Current Students
10:30 AM: Opportunity to Attend Class
12:00 PM: Lunch with Current Executive Students

For more information or to register, please email JoAnn Whitford (jwhitfor@purdue.edu) or go to: http://www.krannert.purdue.edu/programs/executive/Profile_Programs/home.asp
Krannert’s 2012 EMBA class wrapped up our final module with courses focusing on international business in the heart of China. While the final residency took place outside Purdue’s campus, we were fortunate to have the assistance and instruction from three Krannert professors. Supplementing the two weeks of classroom learning were guest speakers and company visits to a mix of Chinese businesses. From the state-owned Bao Steel to privately-held Volkswagen/Skoda, Siemens, and Bekids, we had exposure to varying sizes and types of industries. The size of the campus and the production of the Bao Steel complex was amazing.
Getting ready to scale the Great Wall of China outside Beijing

Traveling in China went by quickly, and it involved stops in Shanghai, Xi’an and Beijing. With the assistance of a very knowledgeable and friendly guide in each city, we had the opportunity to see many culturally significant sites, including stops at the Great Wall, Tiananmen Square, the Forbidden City, the Terracotta Warriors, the Xi’an City Wall and the Wild Goose Pagoda along the way. All of them offered something unique that provided better knowledge of China’s extensive history and gave us memories that will last forever.

A highlight of the first week included an alumni event hosted by Purdue graduates who reside in China. The event began with a keynote speaker, a roundtable discussion, and then a Q&A session. It was very interactive and informative as we heard about opportunities that provided better knowledge of China’s extensive history and gave us memories that will last forever.

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From a personal standpoint, this trip was an amazing learning experience for me and one that will help me grow personally and professionally. As I reflect back before we left our last Purdue module, a number of us discussed our international experiences. Quickly, I found myself as arguably the least experienced international traveler in the group. Growing up in the Midwest and never having left North America didn’t give me a great deal of personal comfort with traveling abroad. Adding to the fact that I was traveling without another classmate to China, the anxiety and anticipation of what to expect was sky-high as I thought about my first steps on Chinese soil. Walking through the airport to the taxi stand had to expose my larger-than-life eyes. The taxi ride to the hotel I had anguished over was flawless, and soon I was joined by my classmates. The anxiety quickly turned to enjoyment, as I was fortunate to be among some great friends who made my trip to China very memorable.

Outside the comfort of my classmates and school structure, the fear of being a foreigner in another country was eased very quickly as I found our Chinese hosts very friendly and wanting to make our experience in China pleasant. As the trip evolved, I picked up a few Chinese words—even my classmates laughed at the pronunciation. Although the “modified” pronunciations were a small step toward learning the language, the people I came across smiled, tried to help me and, I think, were overall thankful for my attempts at trying a new language. Even the negotiating (haggling) turned out to be quite an experience. Who could forget paying 10% of the initial offer, being grabbed by aggressive store owners or the repeated promises of the class favorite “best quality” claim? It turned out to be fun negotiating, and only time will tell how the quality of our purchases holds up. From the tallest building in Shanghai to the living room of a remote farm family, I am thankful for my experiences as they helped open my eyes to another culture that I felt was so far away.

Finally, I would like to personally thank the Krannert staff, my classmates, the alumni, our hosts and most importantly the country of China for welcoming our group and making my trip outstanding. It was an experience I will never forget and the bonds that I have established with my classmates are everlasting. Good-bye to China, and I look forward to seeing everyone at graduation in May. Xie xie.
The date January 23, 2006, was significant for the U.S. home air conditioning equipment industry and consumers as well. From that date onwards, the minimum efficiency equipment that manufacturers could sell in the U.S. increased 30% overnight – from a SEER 10 to a SEER 13 system. (SEER, or Seasonal Energy Efficiency Ratio, is a measure of equipment efficiency). The regulation was one in a series that the U.S. Department of Energy plans to implement to move U.S. households to net zero energy status by 2050. While the new rules banned manufacturing and imports following that date, they did permit continued sales of older product inventories in the supply chain and installations in houses, provided they were permitted by local building codes.

As with any regulation, there is impact across the industry, including supply chain. Wall Street analysts had anticipated that there would be potential winners and losers among the manufacturers but expected the transition to be painless. In reality, there was impact across the whole industry supply chain. When manufacturers started sourcing their new designs, many of them ended up using similar components, thus creating supply shortages. Valve manufacturers in turn rushed to build up capacity thus creating machine tool bottlenecks. Some manufacturers announced significant capital investments and significant design changes while others stuck to less efficient but easy to transition designs.

Distributors used up significant working capital reserves to build up SEER 10 inventory ahead of the regulation. The new SEER 13 models used a lot more copper tubing, but copper prices started increasing significantly as world copper demand increased. Some of the manufacturers could not manage their product launches effectively, thus creating SEER 13 supply shortages.

Krannert professors Ananth V. Iyer and Svenja Sommer, along with Ph.D. student Mohammad Saoud, are working to reduce the ripples caused by new regulations by studying how manufacturers should plan new product designs and old product inventories during regulation-driven product transitions. They have developed models to understand how companies should trade-off the extra working capital and risk associated with inventory buildup against benefits of new product design. They are also studying the entire set of consumer durable regulations for the past twenty years to understand the financial market response to such events, and characterize the financial benefit of supply chain strategies.

Their studies suggest following a gradual adjustment to the new regulations, thus enabling a smoother transition for the industry. The magnitude of the design adjustment compensates for the demand volatility and justifies modular design approaches. At the firm level, managers should understand that inventory buildup might be justified as a rational response to capacity flexibility, demand uncertainty, customer preferences and regulatory enforcement.

When a whole industry undertakes regulation-driven innovation (as opposed to a single firm introducing innovation), managers need to evaluate the short-term and longer term needs across all functional areas, as working capital pressures, capacity expansion, marketing challenges, and competitive choices, all face a perfect storm.

For more information about this research, please contact Professor Iyer directly at aiyer@purdue.edu.

Professor Ananth V. Iyer

Professor Iyer is the Associate Dean for Graduate Programs and the Susan Bulkeley Butler Chair in Operations Management at the Krannert School of Management. Professor Iyer’s research currently focuses on analysis of supply chains including the impact of promotions on logistics systems in the grocery industry, and analysis of the impact of competitors on operational management models and the role of supply contracts.
One of our current Executive MBA students, Karlene Patterson, created a LinkedIn group called Purdue EMBA Alumni. We invite our Executive MBA grads to join this group. A parallel group also exists for the IMM alumni.

Donna Steele joined the Executive Education team in January, supporting its mission to provide business education programs that meet the needs and challenges of working professionals. Donna believes in the power of new skills and ideas, new relationships, new perspectives and new solutions. She has a B.S. from Purdue’s Krannert School of Management and is enjoying being back at Krannert, passing on the Boilermaker spirit. In her spare time, she enjoys attending sporting events, especially at Purdue.

On February 23, we held our first ‘Current and Future Alumni’ Reception at the Woodstock Club in Indianapolis. The event, hosted by Judge Jim Kirsch, was well received by alums from the past decade as well as prospective applicants. Our next reception will be in Chicago on Thursday, May 3rd.

Our newest International Master’s of Management (IMM) class attended launch week at Purdue from March 25th to March 30th. The week was filled with social events, team building exercises, and diving into material for module 1.
EMB 2003
Dr. Marlin Schul was appointed to the executive committee for the American College of Phlebology in 2010. He is currently serving as treasurer and has been instrumental in developing a national data collection system. The system is employed to capture quality of life burden and patient reported outcomes for a variety of procedures used to treat varicose veins. Marlin and Susie celebrated twenty years of marriage, and have daughters aged 9, 15, & 17.

EMB 2005
Ralph Garcia continues his role as global accounts manager for Houghton International, Inc. in Lafayette, IN. Ralph also embraces his boxing hobby by coaching a newly-organized Purdue Boxing Club.

EMB 2006
Kishen Kavikondala is President/CEO of SK International, a minority engineering and manufacturing company. SK International specializes in design and manufacturing of precision tooling solutions for the automotive, aerospace and consumer goods manufacturers. www.skinternational.us

EMBA 2007
Michael Simington and Melissa Koke are happy to announce the birth of a son, Ryan Leslie Simington, born December 21, 2011. Dad says his son is “perfect.” Mike is Manager of Business Development for Murphy Company in Eugene, OR.

EMBA 2008
Lea Clingman is currently an area director with Microsoft and has relocated to Atlanta where she manages a $700 million business in the southeastern United States.
EMBA 2004 (GISMA dedicated program)

Holger Kahler and Valdirene Da Silva Santana were married November 11, 2011, in Wandlitz, Germany. They are expecting a baby this summer.

IMMa 1998

Istvan Kerese accepted a position at the Hungarian State Railways Company to run the newly-created project management office of the company’s Info-communication directorate. In his new job – besides laying the foundations of a solid project methodology framework – he will be responsible for overseeing activities of the project managers in charge of the biggest IT and telecommunication projects of the company.

IMMa 1998

Hari Subramanian is still living in Dallas, Texas, but has changed jobs. Currently he is a consulting partner at Cognizant in the banking and financial services industry. His kids have grown up, and his daughter is going to college. He would love to connect with friends and alumni.

IMM 2000

Zen Parry is currently a doctoral candidate at RMIT University in Australia after teaching in higher education in South Korea for 3 years. Her research topic follows her corporate experience, with a focus on unorthodox elements being incorporated into entrepreneurship education in the higher education sector. When not researching and writing, Zen is consulting in the same sector in Asia. More information is available on her Linked-In profile and website zenparry.info

IMM 2000

Ed Woods is a senior partner with Cosgrove Partners where he performs virtual Chief Marketing Officer duties for small to medium companies. These companies are primarily within the portfolio of equity companies looking for implementation of rapid growth strategies and value realization. Ed’s primary focus is on the energy and power generation markets. Ed is engaged to Wendy Johnson, and they are planning an August wedding.

IMM 2001

Victor Beuk moved to Canada from the Netherlands in October, 2010, and is working as Product Manager for Radian6 (a Salesforce.com company) in Fredericton, New Brunswick.

IMM 2002

Bert Stek is the financial director of Floriade 2012, a world horticultural expo held every 10 years, this year in Venlo, The Netherlands. Judith Migchels and Susan May, former IMM 2002 classmates, are hoping to connect with Bert on Saturday, May 12th at the festival. If any other classmates want to join them, they would be very welcome and can contact Susan at Susan_May@ahni.com for details. Visit http://www.floriade.com/organisation/staff for more info on the expo.

IMM 2005

Joe Pabst has recently moved from New York City to Mexico City as Director, Pricing and Revenue Management Latin America and Caribbean (LAC), for American Express. Joseph will be responsible for American Express’ discount rate which generates over 50% of the company’s revenues. Joseph’s email address is joseph.pabst@aexp.com.

IMM 2006

Samuel Smit married Ingrid Bergman January 4, 2011, on Statia, a tiny island in the Caribbean. Statia is special to Sam because not only is it his birthplace, but it was the first foreign nation to officially recognize the newly-formed United States of America on 16 November 1776. Shortly after his marriage, he moved to the Middle East and has been living in Kuwait. Sam says it’s a great place to live, and he is looking forward to living there another couple of years.

IMM 2009

David Dworkin and his wife Christine are proud parents of a new son, Henry Alastair Dworkin, born November 18, 2011. David currently works for Roche in Basel, Switzerland.

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We have been delighted with the response to Alumni Notes.
To update your contact information with us, please email krannertexec@purdue.edu.
Help us KEEP connected!
### Calendar of Upcoming Opportunities at KEEP

**Details at:** [http://www.krannert.purdue.edu/programs/executive/home.asp](http://www.krannert.purdue.edu/programs/executive/home.asp)

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| 8     | Purdue Executive Education Information Session  
|       | (Profile Day: 8:30 am – 12:30 pm) |
| 17 – 30 | IMM 2013 Residency #1 of one week each at Tias/Nimbas  
|         | (Tilburg, Netherlands) and GISMA (Hannover, Germany) |
| September |   |
| 10 – 14 | Executive MBA 2014 Program Launch |
| 17 – 18 | Veralia Business Forum Custom Program |
| 20 – 23 | AAHA’s Veterinary Management Institute (VMI): HR Module |
| October |               |
| 7 – 20  | IMM 2012 Residency #5 in Beijing and Shanghai, China |
| 16 – 19 | Technical Management Institute (TMI) |
| 25 – 28 | AAHA’s Veterinary Management Institute (VMI): Marketing Module |
| 28 – Nov 10 | IMM 2013 Residency #2 at CEU (Budapest, Hungary) |
| 29 – Nov 3  | Entrepreneurship Bootcamp for Veterans with Disabilities |
| November |               |
| 4 – 17  | Executive MBA 2014 Residency #1 |
| December |               |
| 15 – 16 | IMM 2012 Graduation Weekend |
| January |               |
| 17 – 20 | AAHA’s Veterinary Management Institute (VMI): Finance Module |
| 31 – Feb 3 | AAHA’s Veterinary Management Institute (VMI):  
|               | Strategic Thinking Module |
| February |               |
| 10 – 23  | Executive MBA 2014 Residency #2 |
| 24 – March 9  | IMM 2013 Residency #3 in Mexico City and Puebla, Mexico |

*Unless stated otherwise, the events take place at Purdue in West Lafayette, IN.*